

INFORMATION ABOUT THE PARENTAL COST SHARE SYSTEM FOR THE BIRTH TO 3 PROGRAM

The Department of Health and Family Services (DHFS) has revised the rules that established a system of parental payments for all early intervention services except the core services. The ability to pay system was originally developed in May 1997 to address the counties' concerns about the adequacy of future funding for the program and was based on the recommendations of a work group of the Birth to 3 Interagency Coordinating Council. After several years of implementation, another work group convened in fall 2000 to develop recommendations about needed changes to the system. These revised rules create a Parental Cost Share System that considers parental capacity to contribute toward the costs of certain early intervention services.

The Parental Cost Share System seeks an increased partnership between the family and the public sector. Multiple sources of funds are necessary to meet the growth of the Birth to 3 Program.

The Parental Cost Share System is based on expectations that:

- early intervention services are valued by families
- parents who are able should share responsibility for the costs of services
- increased revenue would be generated through parental contributions
- private insurance would be accessed to the maximum extent possible

Getting Started

County Responsibilities: The county administrative agency for the Birth to 3 Program is responsible for administering the Parental Cost Share System. The county administrative agency may designate another agency to be responsible for determining the parental cost share and collecting payments. (For ease in reading, the term county administrative agency will be used and will include any designated agency).

The Parental Cost Share System eliminates application of the Uniform Fee System in ch. HFS 1, Wis. Administrative Code. County participation in administering the Birth to 3 Program Parental Cost Share System is mandatory. Counties who have previously received an exemption from DHFS from implementing the Ability to Pay System must apply the Parental Cost Share System.

Start up: The start date will be March 1, 2002.

Parents should be informed of the Parental Cost Share System when they are given initial information about the Birth to 3 Program. The State Birth to 3 Program staff will provide local agencies with information to give to parents about the Parental Cost Share System along with a Parental Statement of Income form. Copies of the brochure and Statement of Income of form can be obtained from the Birth to 3 Program Forms Center.

Some families currently in the program will also need to be informed of the change from a program with “no costs for families” to one that uses a parental cost share. Parents should be provided information prior to their next IFSP review. As the Parental Cost Share System is applied to upcoming IFSPs, some parents may have increases or decreases to their current cost share under the previous Ability to Pay System.

Determining the parental cost share

The determinations of the costs of services and the family’s cost share are parallel processes. Parents are responsible for the unreimbursed costs of services on the IFSP up to their parental cost share. Programs can begin to gather fiscal information from the family at any time, however the information is only needed if the child is eligible.

1) Establish the parental income

The agency must obtain a signed statement of current annual income from the responsible parent(s). A form for obtaining the income information is provided.

The parents' signed statement of income is sufficient verification to establish income. The county administrative agency may review the statement and consider whether there is reason to believe that the information is inaccurate. If so, the county administrative agency has the responsibility to follow up on any doubts about the accuracy of the information.

Families who participate in programs that have financial eligibility at or below the guidelines for the Birth to 3 Program Parental Cost Share will not have a cost share. These programs are the Food Stamp Program, Badger Care, Healthy Start, WIC (unless the child receives WIC through Katie Beckett), W-2, Free or reduced lunch at school, or SSI. When parents complete the Statement of Parental Income, they will indicate their participation in these programs. This will verify that they are not currently liable for a parental cost share for the Birth to 3 Program.

2) Calculate the parental cost share

Note: the process described below reflects the procedures outline in HFS 90.06 (1). To reduce calculations, the DHFS has prepared tables that can be used to determine the parental cost share by using the annual income and family size. These tables are attached.

The annual income* of the parent(s) is established and the annual income is adjusted by the allowance of \$3,300 for each member of the family participating in the Birth to 3 Program and for each child under 19 years of age with a disability as defined in s. HFS 65.02 (5) (the rules for the Family Support Program). The parental adjusted income and family size is used to determine the percent above or below the Federal Poverty Threshold (Chart 1). The Federal Poverty Guidelines are adjusted annually.

* *HFS 90.06(1)(a) defines annual income as “total income of the legally responsible parent or parent’s as reported on the parent’s most recent federal individual tax return”*

Chart 1
2001 HHS Poverty Guidelines

| Size of Family Unit | 48 Contiguous States and D.C. |
|---------------------------------|--------------------------------------|
| 1 | \$ 8,590 |
| 2 | 11,610 |
| 3 | 14,630 |
| 4 | 17,650 |
| 5 | 20,670 |
| 6 | 23,690 |
| 7 | 26,710 |
| 8 | 29,730 |
| For each additional person, add | 3,020 |

The parent cost share is assigned based on the Federal Poverty Threshold for the family. Chart 2 indicates the monthly cost share based on the adjusted income.

Chart 2
Assignment of Parental Cost Share

| Adjusted Income | Monthly Cost Share Payment |
|--|-----------------------------------|
| At or below 250% of the Federal Poverty Guidelines (FPG) | None |
| Over 250% of the FPG and at or below 300% of FPG | \$25 per month cost share. |
| Over 300% of the FPG and at or below 350% of FPG | \$35 per month cost share. |
| Over 350% of the FPG and at or below 400% of the FPG | \$50 per month cost share. |
| Over 400% of the FPG and at or below 500% of the FPG | \$75 per month cost share. |
| Over 500% of the FPG and at or below 600% of the FPG | \$100 per month cost share. |
| Over 600% of the FPG and at or below 700% of the FPG | \$125 per month cost share. |
| Over 700% of the FPG | \$150 per month cost share. |

Once the family's parental cost share is determined, the information is shared with the family and is written on the IFSP as a payment source (Not the amount, rather the fact that they do have a parental cost share).

For ease in determining the parental cost share, use the attached tables. These tables have been developed to take into account the allowances for children in the family who are enrolled in the Birth to 3 Program or who have disabilities. The tables use the annual parental income and family size to determine the parental cost share. These tables will be revised and distributed by the State Birth to 3 Program annually after the Federal Poverty Guidelines are published.

Determining the cost of services on the plan (IFSP)

The annual cost of the plan is estimated by using the amount and type of services on the IFSP. The cost of the plan is calculated by using the charge for each service and the units of service to be delivered (number and frequency). After the IFSP is developed, the service coordinator or a fiscal person summarizes services on early intervention services summary sheet. The cost of the plan should be prorated if the length of the plan is less than 12 months.

Federal and state statutes require that certain early intervention services must be provided at no cost to families. These core services are **not** included in the cost of the plan. The **core services** are:

- child find
- evaluation and assessment
- development of the IFSP
- procedural safeguards
- service coordination

Collecting the parental cost share

The county administrative agency is responsible for determining how payments will be collected from the families. Counties have discretion in establishing payment procedures and for determining a payment schedule. Individual families may request a reduction of payments and a county administrative agency may reduce the amount of the required payment or allow for an extended payment schedule.

Payments from parents for the Parental Cost Share System do not go to the State. The funds collected will be used for early intervention services at the county level.

Questions That May Arise Regarding Determining the Parental Cost Share

Whose income is counted?

The Parental Cost Share system looks at the parent(s)' income only. The rules for the cost share system define parent as a child's adoptive or biological mother or father who has legal responsibility for the child. This is a change from the Ability to Pay System that looked at household income. Do not include the income of persons in the home who are not legally responsible, e.g., stepparents.

What about divorced or separated parents?

When the legally responsible parents live in separate households and the child eligible for Birth to 3 services resides in part in both households, the family size is determined for each household. There is a separate parental cost share for each household. The maximum parental cost share is \$1,800 per year without regard to the number of children in the program in the family. When the legally responsible parents live in separate households, combined cost shares cannot exceed \$1,800. The cost shares shall be divided between the parents based on the parents' relative income. A parent may not count their child support payments as part of their income.

How is family size determined?

Currently, the rules for the Parental Cost Share System define "Family" as the people who share a residence, and are any of the following:

- A child eligible for the Birth to 3 Program
- The parent of a child eligible for the Birth to 3 Program
- Any minor of the residence for whom a person is legally responsible for

Parent means a child's adoptive or biological mother or father who has legal responsibility for the child.

When a teen parent (under age 18) lives with her/his parent(s), whose income is counted?

Include the income of the biological mother and father, not the income of the grandparents.

What if the family's income or expenses change? The parental cost share can be recalculated at any time there is significant change in a family's income or expenses. If there are major changes in a family such as increased or decreased income or the birth of a baby, the family or agency can ask for a recalculation of the cost share. A family may also request a re-determination of their Parental Cost Share.

What if the family feels the parental cost share is too high?

Under the parental cost share system, a family can ask for reductions in payments or for redetermination of their liability. The county administrative agency has discretion in how it determines what if any adjustments are made. County administrative agencies should define the policies and process for making such a determination. (Are we going to develop such a form?)

Can the IFSP be revised to reduce costs? The cost of services does not affect the parental cost share. The cost share determination is based on family income and family size, not services. Parents may refuse consent for some services and still receive others. However, this will not affect their cost share.

What if collecting charges from families would create other issues that would interfere with the provision of Birth to 3 services? The county administrative agency may waive the parental cost share in part or in whole if the county administrative agency determines the goals of an early intervention service would be significantly impaired by the imposition of a parental cost share. The payments may be delayed or extended. Again, county administrative agencies should define the policies and process for making such a determination.

What if parents refuse to give financial information? The parents would be liable for the maximum parental cost share of \$150 per month.

What if a family refuses to pay? Do services stop? No, services continue unless the family withdraws consent for them. State statutes require county agencies to provide services, but give no authority to deny services as a remedy for non-payment. Counties do have authority to collect payments under the Birth to 3 Program rules. It is encouraged that all methods of payment are evaluated before going forward with the collection process.

Does the parental cost share apply to all human service programs used by the family or only to those used by the child? The county administrative agency may not assess a parental cost share for early intervention services if the parents have financial liability for other services subject to the Uniform Fee System (HFS 1) that are provided to the child(ren) in the Birth to 3 Program. For example, when a child is placed in Foster Care or Kinship Care, the natural parents will not have a cost share for the Birth to 3 Program because they have already been assessed a

cost share under the Uniform Fee System. When a child participates in the Birth to 3 Program and the Family Support Program, only one parental cost share is collected. Agencies should develop agreements that define which program will determine the parental cost share and how collections will be distributed.

The parents may have financial liability for services from the human service agency received by other family members.

What if the county administrative agency is not a human service agency? County administrative agencies who are not in the human service system (such a lead agency that is a Health Department) must coordinate with the Family Support Program and the Community Options Program (COP). There is only one parental cost share determination that may apply to more than one program for the child. Again, agencies should develop agreements that define which program will determine the parental cost share and how collections will be distributed.

How does the use of family insurance relate to the parental cost share? Federal law requires that Birth to 3 programs obtain the parent's consent for the use of insurance. Counties may not require parents to allow use of their insurance as a condition of determining a parental cost share.

Programs must use a written form to document a parent's informed consent for the billing of private insurance. Parents must be informed of potential "costs" of accessing their insurance. These "costs" might include risk of financial loss due to depletion in available lifetime, annual or service coverage; decrease in benefits; effect on future insurability; or discontinuation of coverage. Actual loss might include increase in premiums or out-of-pocket expenses such as payment of deductibles and co-pays. If parents have questions about the possible effects on their insurance, encourage them to contact their insurance provider. Families must ultimately make decisions about whether the use of insurance will affect them.

How is the parental cost share affected by insurance payments? Parents are responsible for the unreimbursed costs of services on the IFSP up to their parental cost share. Since the parental cost share is based on family income, insurance payments will not have an effect unless the receipts from insurance are more than the cost of the plan. If reimbursement from insurance and parental payments exceed the cost of the services, the parents' cost share is reduced. Birth to 3 programs will not collect more than the costs of services on the IFSP. County administrative agencies should take into account that the cost of services includes not only the direct services, but also cost of provider travel, costs for meetings (*not including IFSP meetings*), and administrative costs.

Technical Assistance: *If you have questions about how to apply the Parental Cost Share System for families in the Birth to 3 Program, please call*

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